

Amend Sections 75.31 and 534 of the Property Taxes Law to allow certain notice requirements to be Board-approved rather than Board-prescribed.

Source: Property and Special Taxes Department and Legal Department

The administration of the property tax requires the use of a variety of forms, notices and claims for exemptions or exclusions. Some sections of law outline the types of information that must be included in the document or provides the precise wording that must be included. Some sections of law specifically provide that the relevant form, claim, or notice for that particular section of law will be "prescribed" by the Board of Equalization (Board). With respect to any property tax exemption enacted by statute or constitutional amendment, Revenue and Taxation Code Section 251 provides that the Board is to prescribe all procedures and forms related to the exemption. A form, notice, or claim that is "prescribed" requires that each of the 58 counties use an exact replica of the document created by the Board.

When a new base year value has been established for a change in ownership or completion of new construction, Revenue and Taxation Code Section 75.31 requires the assessor to send a notice of the new base year value to the assessee called a "notice of supplemental assessment." Similarly, whenever an escape assessment is made, section 534 requires that the assessee be notified of the assessment before it becomes effective. The escape assessment notice requirements of Section 534 pre-date Proposition 13. The supplemental assessment notice requirements of Section 75.31 were added in 1983. Chapter 647, Statutes of 2000 (SB 2170), amended these two sections to require that certain additional information concerning the assessee's right to an informal review and right to appeal be included in the notice given by the assessor. It additionally amended these sections of law to require that the heretofore pre-existing notices be prescribed by the Board.

Making these two forms (BOE-66 and BOE-67) Board-prescribed causes an undue hardship on various counties; consequently, some of these have been unable to comply with the law. The design of some counties' notices fit the county's computer system already established and to make the counties change their systems in order to produce an notice that is the replica of the Board notice would entail an added expense. Additionally, in some cases, the computer system is tied in with the County Auditor's and County Tax Collector's Offices. So to change the Assessor's requirements would necessitate also changing the computer systems in the other two county offices.

Board staff recommends that the notice requirements in Sections 75.31 and 534 be changed from Board-prescribed to Board-approved. Property Tax Rule 252 provides that certain forms created by the county must be "approved" by the Board. These include the two notices in question here: notice of supplemental assessment and notice of escape assessment. Therefore, these two notices would still be reviewed and

approved by the Board to ensure they contain the necessary information required by Section 75.31 and 534

Section 75.31 of the Revenue and Taxation Code is amended to read:

(a) Whenever the assessor has determined a new base year value as provided in Section 75.10, the assessor shall send a notice to the assessee showing the following:

(1) The new base year value of the property that has changed ownership, or the new base year value of the completed new construction that shall be added to the existing taxable value of the remainder of the property.

(2) The taxable value appearing on the current roll, and if the change in ownership or completion of new construction occurred between January 1 and May 31, the taxable value on the roll being prepared.

(3) The date of the change in ownership or completion of new construction.

(4) The amount of the supplemental assessments.

(5) The exempt amount, if any, on the current roll or the roll being prepared.

(6) The date the notice was mailed.

(7) A statement that the supplemental assessment was determined in accordance with Article XIII A of the California Constitution that generally requires reappraisal of property whenever a change in ownership occurs or property is newly constructed.

(8) Any other information which the board may prescribe.

(b) In addition to the information specified in subdivision (a), the notice shall inform the assessee of the procedure for filing a claim for exemption that is to be filed within 30 days of the date of the notice.

(c) (1) The notice shall advise the assessee of the right to an informal review and the right to appeal the supplemental assessment, and, unless subject to paragraph (2) or (3), that the appeal shall be filed within 60 days of the date of mailing printed on the notice or the postmark date therefor, whichever is later. For the purposes of equalization proceedings, the supplemental assessment shall be considered an assessment made outside of the regular assessment period as provided in Section 1605.

(2) For counties in which the board of supervisors has adopted the provisions of subdivision (c) of Section 1605, and the County of Los Angeles, the notice shall advise the assessee of the right to appeal the supplemental assessment, and that the appeal shall, except as provided in paragraph (3), be filed within 60 days of the date of mailing printed on the tax bill or the postmark date therefor, whichever is later. For the purposes of equalization proceedings, the supplemental assessment shall be considered an assessment made outside of the regular assessment period as provided in Section 1605.

(3) (A) If the taxpayer does not receive a notice in accordance paragraph (1) at least 15 days prior to the deadline to file the application described in Section 1603,

the affected party or his or her agent may file an application within 60 days of the date of mailing printed on the tax bill or the postmark thereof, whichever is later, along with an affidavit declaring under penalty of perjury that the notice was not timely received.

(B) Notwithstanding any other provision of this subdivision, an application for reduction in a supplemental assessment may be filed within 12 months following the month in which the assessee is notified of that assessment, if the affected party or his or her agent and the assessor stipulate that there is an error in assessment as the result of the exercise of the assessor's judgment in determining the full cash value of the property and a written stipulation as to the full cash value and the assessed value is filed in accordance with Section 1607.

(d) The notice shall advise the assessee of both of the following:

(1) The requirements, procedures, and deadlines with respect to an application for the reduction of a base year value pursuant to Section 80, or the reduction of an assessment pursuant to Section 1603.

(2) The criteria under Section 51 for the determination of taxable value, and the requirement of Section 1602 that the custodial officer of the local roll make the roll, or a copy thereof, available for inspection by all interested parties during regular office hours.

(e) The notice shall advise the assessee that if the supplemental assessment is a negative amount the auditor shall make a refund of a portion of taxes paid on assessments made on the current roll, or the roll being prepared, or both.

(f) The notice shall be furnished by the assessor to the assessee by regular United States mail directed to the assessee at the assessee's latest address known to the assessor.

(g) The notice given by the assessor under this section shall be on a form ~~prescribed~~ approved by the State Board of Equalization.

Section 534 of the Revenue and Taxation Code is amended to read:

(a) Assessments made pursuant to Article 3 (commencing with Section 501) or this article shall be treated like, and taxed at the same rate applicable to, property regularly assessed on the roll on which it is entered, unless the assessment relates to a prior year and then the tax rate of the prior year shall be applied, except that the tax rate for years prior to the 1981–82 fiscal year shall be divided by four.

(b) No assessment described in subdivision (a) shall be effective for any purpose, including its review, equalization and adjustment by the Board of Equalization, until the assessee has been notified thereof personally or by United States mail at his or her address as contained in the official records of the county assessor. For purposes of Section 532, the assessment shall be deemed made on the date on which it is entered on the roll pursuant to Section 533, if the assessee is notified of the assessment within 60 days after the statute of limitations or the placing of the escape assessment on the assessment roll. Otherwise the assessment shall be deemed made only on the date the assessee is so notified.

(c) The notice given by the assessor pursuant to this section shall include all of the following:

(1) The date the notice was mailed.

(2) Information regarding the assessee's right to an informal review and the right to appeal the assessment, and except in a case in which paragraph (3) applies, that the appeal shall be filed within 60 days of the date of mailing printed on the notice or the postmarked date therefor, whichever is later. For the purposes of equalization proceedings, the assessment shall be considered an assessment made outside of the regular assessment period as provided in Section 1605.

(3) For counties in which the board of supervisors has adopted a resolution in accordance with subdivision (c) of Section 1605, and the County of Los Angeles, the notice shall advise the assessee of the right to appeal the assessment, and that the appeal shall be filed within 60 days of the date of mailing printed on the tax bill or the postmark therefor, whichever is later. For the purposes of equalization proceedings, the assessment shall be considered an assessment made outside of the regular assessment period as provided in Section 1605.

(4) A description of the requirements, procedures, and deadlines with respect to an application for the reduction of an assessment pursuant to Section 1605.

(d) (1) The notice given by the assessor under this section shall be on a form ~~prescribed~~ approved by the board.

(2) Giving of the notice required by Section 531.8 shall not satisfy the requirements of this section.